

Carr Statement on FCC Inspector General's Report on Waste, Fraud, and Abuse

WASHINGTON, DC, November 23, 2021—Commissioner Carr issued the following statement in response to a new [report](#) by the FCC's Inspector General regarding waste, fraud, and abuse in the agency's \$3.2 billion Emergency Broadband Benefit ("EBB") Program, which is designed to help low-income households afford a broadband connection.

"Since the beginning of the year, I have been expressing serious concern that the massive levels of broadband dollars being appropriated by Congress could result in headline levels of waste, fraud, and abuse. And I am worried that this report by the FCC's Office Inspector General may be just the tip of the iceberg.

"I am outraged by the abuse uncovered by the Inspector General. It shows what appears to be a fraudulent scheme by broadband providers or their agents—and it centers on providers receiving funds by falsely indicating that a household has a student that attends a qualifying low-income school. Among the numerous, egregious examples of abuse, the Inspector General's report identifies a qualifying low-income school in Florida that was designated by providers as the school supporting the enrollment of 1,884 households, even though there are no more than 200 students that attend the school. The report identifies similar schemes in Alaska, Arizona, California, Colorado, and New York. This is a worrying trend.

"I am also concerned because I was kept in the dark about the Inspector General's report until it was released to the public, even though others at the Commission were read in ahead of time.

"With this information in hand, the FCC must not only act immediately to end these fraudulent practices and hold those engaging in them accountable, it must go further. The FCC must put tighter controls in place to ensure that bad actors like these can no longer defraud the American public. After all, every dollar that is illegally siphoned off from this program is a dollar that cannot go towards connecting households that still lack a broadband connection.

"Taking action now is all the more important as the FCC was recently granted \$14.2 billion from Congress to support the next phase of the EBB Program, which will now be known as the Affordable Connectivity Program. As the FCC seeks to implement this new program, we must ensure that it contains sufficient safeguards to prevent—not invite—these and other abuses. The American people deserve no less."

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